### September 2016



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## Colorado FSA eNewsletter

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#### **State Committee:**

Armando Valdez, Chairman Marsha Daughenbaugh Anita Nein Bill Warren James Hume

Next State Committee Meeting: Sept. 22, 2016

# **USDA Offers New Loans for Portable Farm Storage and Handling Equipment**

Portable Equipment Can Help Producers, including Small-Scale and Local Farmers, Get Products to Market Quickly

USDA's Farm Service Agency (FSA) will provide a new financing option to help farmers purchase portable storage and handling equipment. The loans, which now include a smaller microloan option with lower down payments, are designed to help producers, including new, small and mid-sized producers, grow their businesses and markets.

The program also offers a new "microloan" option, which allows applicants seeking less than \$50,000 to qualify for a reduced down payment of five percent and no requirement to provide three years of production history. Farms and ranches of all sizes are eligible. The microloan option is expected to be of particular benefit to smaller farms and ranches, and specialty crop producers who may not have access to commercial storage or on-farm storage after harvest. These producers can invest in equipment like conveyers, scales or refrigeration units and trucks that can store commodities before delivering them to markets. Producers do not need to demonstrate the lack of commercial credit availability to apply.

#### Online directory of FSA Offices

Reasonable Accommodations: People with disabilities who require accommodations to participate in FSA programs should contact the County Executive Director in the FSA Office in your area or Federal Relay Service at 1-800-877-8339. Alternatively, you may also contact Colorado FSA Civil Rights Coordinator Patti Finke at (720) 544-2889 or patti.finke@co.usda.gov

Earlier this year, FSA significantly expanded the list of commodities eligible for Farm Storage Facility Loan. Eligible commodities now include aquaculture; floriculture; fruits (including nuts) and vegetables; corn, grain sorghum, rice, oilseeds, oats, wheat, triticale, spelt, buckwheat, lentils, chickpeas, dry peas sugar, peanuts, barley, rye, hay, honey, hops, maple sap, unprocessed meat and poultry, eggs, milk, cheese, butter, yogurt and renewable biomass. FSFL microloans can also be used to finance wash and pack equipment used post-harvest, before a commodity is placed in cold storage.

To learn more about Farm Storage Facility Loans, visit <a href="https://www.fsa.usda.gov/pricesupport">www.fsa.usda.gov/pricesupport</a> or contact a local FSA county office. To find your local FSA county office, visit <a href="http://offices.usda.gov">http://offices.usda.gov</a>.

## **Upcoming Acreage Reporting Deadline**

In order to comply with FSA program eligibility requirements, all producers are encouraged to visit their local County FSA office to file an accurate crop certification report by the applicable deadline.

The following acreage reporting dates are as follows::

November 15, 2016 - Apiculture, PRF/Perennial Forage and Fall-Seeded Small Grains

January 15, 2017 - Applies, Grapes and Peaches

The following exceptions apply to the above acreage reporting dates:

- If the crop has not been planted by the above acreage reporting date, then the acreage must be reported no
  later than 15 calendar days after planting is completed.
- If a producer acquires additional acreage after the above acreage reporting date, then the acreage must be reported no later than 30 calendars days after purchase or acquiring the lease. Appropriate documentation must be provided to the county office.
- If a perennial forage crop is reported with the intended use of "cover only," "green manure," "left standing," or "seed," then the acreage must be reported by July 15th.

Noninsured Crop Disaster Assistance Program (NAP) policy holders should note that the acreage reporting date for NAP covered crops is the earlier of the dates listed above or 15 calendar days before grazing or harvesting of the crop begins.

For questions regarding crop certification and crop loss reports, please contact your local FSA Office.

## **Reporting Organic Crops**

Producers who want to use the Noninsured Crop Disaster Assistance Program (NAP) organic price and selected the "organic" option on their NAP application must report their crops as organic.

When certifying organic acres, the buffer zone acreage must be included in the organic acreage.

Producers must also provide a current organic plan, organic certificate or documentation from a certifying agent indicating an organic plan is in effect. Documentation must include:

- name of certified individuals
- address
- telephone number

- effective date of certification
- certificate number
- list of commodities certified
- name and address of certifying agent
- a map showing the specific location of each field of certified organic, including the buffer zone acreage

Certification exemptions are available for producers whose annual gross agricultural income from organic sales totals \$5,000 or less. Although exempt growers are not required to provide a written certificate, they are still required to provide a map showing the specific location of each field of certified organic, transitional and buffer zone acreage.

For questions about reporting organic crops, contact your local FSA office. To find your local office, visit <a href="http://offices.usda.gov">http://offices.usda.gov</a>.

## Filing a Notice of Loss

The CCC-576, Notice of Loss, is used to report failed acreage and prevented planting and may be completed by any producer with an interest in the crop. Timely filing a Notice of Loss is required for all crops including grasses. For losses on crops covered by the Non-Insured Crop Disaster Assistance Program (NAP), you must file a CCC-576, Notice of Loss, in the FSA County Office within 15 days of the occurrence of the disaster or when losses become apparent or 15 calendar days after the normal harvest date.

Producers of hand-harvested crops must notify FSA of damage or loss through the administrative County Office within 72 hours of the date of damage or loss first becomes apparent. This notification can be provided by filing a CCC-576, email, fax or phone. Producers who notify the County Office by any method other than by filing the CCC-576 are still required to file a CCC-576, Notice of Loss, within the required 15 calendar days.

If filing for prevented planting, an acreage report and CCC-576 must be filed within 15 calendar days of the final planting date for the crop.

# **Emergency Assistance for Livestock, Honeybee, and Farm-Raised Fish Program (ELAP)**

The Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP) provides emergency assistance to eligible livestock, honeybee, and farm-raised fish producers who have losses due to disease, adverse weather or other conditions, such as blizzards and wildfires, not covered by other agricultural disaster assistance programs.

Eligible livestock losses include grazing losses not covered under the Livestock Forage Disaster Program (LFP), loss of purchased feed and/or mechanically harvested feed due to an eligible adverse weather event, additional cost of transporting water because of an eligible drought and additional cost associated with gathering livestock to treat for cattle tick fever.

Eligible honeybee losses include loss of purchased feed due to an eligible adverse weather event, cost of additional feed purchased above normal quantities due to an eligible adverse weather condition, colony losses in excess of normal mortality due to an eligible weather event or loss condition, including CCD, and hive losses due to eligible adverse weather.

Eligible farm-raised fish losses include death losses in excess of normal mortality and/or loss of purchased feed due to an eligible adverse weather event.

Producers who suffer eligible livestock, honeybee, or farm-raised fish losses from October 1, 2015 to September 30, 2016 must file:

A notice of loss the earlier of 30 calendar days of when the loss is apparent or by November 1, 2016.

An application for payment by November 1, 2016

The Farm Bill caps ELAP disaster funding at \$20 million per federal fiscal year.

The following ELAP Fact Sheets (by topic) are available online:

- ELAP for Farm-Raised Fish Fact Sheet
- ELAP for Livestock Fact Sheet
- ELAP for Honeybees Fact Sheet

To view these and other FSA program fact sheets, visit the FSA fact sheet web page at www.fsa.usda.gov/factsheets.

## **Report Livestock Losses**

The Livestock Indemnity Program (LIP) provides assistance to eligible producers for livestock death losses in excess of normal mortality due to adverse weather and attacks by animals reintroduced into the wild by the federal government or protected by federal law. LIP compensates livestock owners and contract growers for livestock death losses in excess of normal mortality due to adverse weather, including losses due to hurricanes, floods, blizzards, wildfires, extreme heat or extreme cold.

For 2016, eligible losses must occur on or after Jan. 1, 2016, and before December 31, 2016. A notice of loss must be filed with FSA within 30 days of when the loss of livestock is apparent. Participants must provide the following supporting documentation to their local FSA office no later than 30 calendar days after the end of the calendar year for which benefits are requested:

- Proof of death documentation
- Copy of growers contracts
- Proof of normal mortality documentation

USDA has established normal mortality rates for each type and weight range of eligible livestock, i.e. Adult Beef Cow = 1.5% and Non-Adult Beef Cattle (less than 400 pounds) = 3%. These established percentages reflect losses that are considered expected or typical under "normal" conditions. Producers who suffer livestock losses in 2016 must file both of the following:

- A notice of loss the earlier of 30 calendar days of when the loss was apparent or by January 30, 2017
- An application for payment by January 30, 2017.

Additional Information about LIP is available at your local FSA office or online at: www.fsa.usda.gov.

## MAL and LDP Policy Changes for Crop Years 2015-2018

The Agricultural Act of 2014 authorized 2014-2018 crop year Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs), with a few minor policy changes.

Among the changes, farm-stored MAL collateral transferred to warehouse storage will retain the original loan rate, be allowed to transfer only the outstanding farm-stored quantity with no additional quantity allowed and will no longer require producers to have a paid for measurement service when moving or commingling loan collateral.

MALs and LDPs provide financing and marketing assistance for wheat, feed grains, soybeans, and other oilseeds, pulse crops, rice, peanuts, cotton, wool and honey. MALs provide producers interim financing after harvest to help them meet cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows. A producer who is eligible to obtain a loan, but agrees to forgo the loan, may obtain an LDP if such a payment is available. Marketing loan provisions and LDPs are not available for sugar and extra-long staple cotton.

FSA is now accepting requests for 2016 MALs and LDPs for all eligible commodities after harvest.

Before MAL repayments with a market loan gain or LDP disbursements can be made, producers must meet the requirements of actively engaged in farming, cash rent tenant and member contribution.

Commodity certificates are available to loan holders who have outstanding nonrecourse loans for wheat, upland cotton, rice, feed grains, pulse crops (dry peas, lentils, large and small chickpeas), peanuts, wool, soybeans and designated minor oilseeds. These certificates can be purchased at the posted county price (or adjusted world price or national posted price) for the quantity of commodity under loan, and must be immediately exchanged for the collateral, satisfying the loan. MALs redeemed with commodity certificates are not subject to the actively engaged in farming, cash-rent tenant, Adjusted Gross Income provisions or the payment limitation.

To be considered eligible for an LDP, producers must have form <a href="CCC-633EZ">CCC-633EZ</a>, Page 1 on file at their local FSA Office before losing beneficial interest in the crop. Pages 2, 3 or 4 of the form must be submitted when payment is requested.

The 2014 Farm Bill also establishes payment limitations per individual or entity not to exceed \$125,000 annually on certain commodities for the following program benefits: price loss coverage payments, agriculture risk coverage payments, marketing loan gains (MLGs) and LDPs. These payment limitations do not apply to MAL loan disbursements or redemptions using commodity certificate exchange.

Adjusted Gross Income (AGI) provisions were modified by the 2014 Farm Bill, which states that a producer whose total applicable three-year average AGI exceeds \$900,000 is not eligible to receive an MLG or LDP. Producers must have a valid CCC-941 on file to earn a market gain of LDP. The AGI does not apply to MALs redeemed with commodity certificate exchange.

For more information and additional eligibility requirements, please visit a nearby USDA Service Center or FSA's website www.fsa.usda.gov.

# Farm Service Agency (FSA) and Risk Management Agency (RMA) to Prevent Fraud, Waste, and Abuse

FSA supports the RMA in the prevention of fraud, waste and abuse of the Federal Crop Insurance Program. FSA has been, and will continue to, assist RMA and insurance providers by monitoring crop conditions throughout the growing season. FSA will continue to refer all suspected cases of fraud, waste and abuse directly to RMA. Producers can report suspected cases to the county office staff, the RMA office, or the Office of the Inspector General.

## **USDA Climate Hub Building Block: Conservation of Sensitive Lands**

USDA Climate Hubs are working with producers, ranchers, pasture and forest landowners to effectively partner in ways to help reduce climate change. To aid in this partnership, USDA established the 10 Building Blocks for Climate Smart Agriculture and Forestry.

One such Building Block is the "Conservation of Sensitive Lands". The term "sensitive lands" denotes soils and landscapes that are valuable due to properties (e.g., high organic matter, wet hydrology) and/or function (e.g., wildlife habitat, filtration, and hydrologic storage). Typical examples of these soils are organic rich histosols, floodplains, or wetlands along riparian areas. Properties and functions of these soils are easily disrupted from agricultural or urban land use.

Sensitive lands that are used for agricultural production can be protected by changes in land use (long-term cover). This reduction in land use intensity can provide multiple environmental benefits, including substantial GHG mitigation that occurs as carbon is sequestered or preserved in soils and vegetation. When land is removed from crop production, several activities—including tillage, nitrogen fertilization, and energy use—are substantially reduced or eliminated, generating additional GHG mitigation.

FSA and NRCS are committed to identifying these sensitive lands and encouraging landowners, farmers, and ranchers to voluntarily adopt conservation systems--using financial and technical assistance--to generate GHG benefits. To read

For more information about the USDA Climate Hubs click here: http://www.climatehubs.oce.usda.gov/

# The Rural Development Agency Has Energy Saving opportunities for Dairy Operators and Irrigators

Interested in improving the energy efficiency of your dairy or irrigation operation? USDA, the Colorado Department of Agriculture (CDA) and the Colorado Energy Office (CEO) may be able to help!

<u>The Colorado Dairy and Irrigation Efficiency Program</u> offers practical and proven ways for producers to save 10-30 percent on their energy bills. The assistance provided under this program is free. For more information and to submit an application, visit the Colorado Energy Office's website: <a href="www.colorado.gov/energyoffice/agriculture-energy-efficiency">www.colorado.gov/energyoffice/agriculture-energy-efficiency</a> or contact the Programs Manager: <a href="mailto:Michael.A.Turner@state.co.us">Michael.A.Turner@state.co.us</a>.

Another innovative program is the <u>Rural Conservation Partnership Program (RCPP) Pressurized Irrigation Small Hydropower Partnership Project</u>, which provides financial and technical assistance to help farmers upgrade their irrigation systems to save water and energy. The Project provides financial assistance through the EQIP program and CDA's ACRE3 program, and provides assistance to apply for additional funding from Rural Developments Rural Energy for America Program (REAP). For more information visit: <a href="www.colorado.gov/agconservation/agriculturalhydro">www.colorado.gov/agconservation/agriculturalhydro</a> or contact the ACRE3 program Energy Specialist: <a href="mailto:sam.Anderson@state.co.us">Sam.Anderson@state.co.us</a>.

### Rural Energy for America Program GRANTS (REAP)

Want to add a variable frequency drive to your center pivot irrigation system or replace your milking and processing equipment with new and more energy efficient equipment? If so, USDA Rural Development's Rural Energy for America Program (REAP) has grants, guaranteed loans and grant/loan combinations available for agricultural producers and rural small businesses that could assist in covering part of the costs associated with these improvements. Grants range from a few thousand dollars up to \$500,000 and applications are due October 31, 2016. It is important to submit your application prior to the deadline in order to compete effectively. For more information, please contact <a href="mailto:Donald.nunn@co.usda.gov">Donald.nunn@co.usda.gov</a> or visit <a href="http://www.rd.usda.gov/programs-services/rural-energy-america-program-renewable-energy-systems-energy-efficiency">http://www.rd.usda.gov/programs-services/rural-energy-america-program-renewable-energy-systems-energy-efficiency</a>

### Rural Energy for America Guarantee Loan Program

This program provides guaranteed loan financing for rural small businesses and agricultural producers to purchase or install renewable energy systems or implement energy efficiency improvements. Eligible borrowers include Agricultural Producers and Rural Small Business and you would apply for this loan with a lending institution of your choice, as long as they participate in the program.

Loan guarantees on loans up to 75% of total eligible project costs and REAP Grants (up to 25%) and loan guarantees may be combined to fund up to 75% of total eligible project costs. The loan amounts can range from \$5,000 to \$25 Million. Rates and terms are negotiated between the Lender and the Borrower with USDA approval. Terms can be for up to 30 years on real estate, 15 years on Machinery and equipment and 7 years on working capital loans.

Applications for this program are accepted year round. To get started or to find out more about the program please contact <a href="mailto:Donald.nunn@co.usda.gov">Donald.nunn@co.usda.gov</a> or visit <a href="mailto:http://www.rd.usda.gov/programs-services/rural-energy-america-program-renewable-energy-systems-energy-efficiency">http://www.rd.usda.gov/programs-services/rural-energy-america-program-renewable-energy-systems-energy-efficiency</a>

## Winter Workshops on Behalf of AgrAbility

Below is a list of upcoming workshops that will be presented by Dr. Norman L. Dalsted, CSU Extension and by Candiss Leathers and James Craig, Goodwill Industries of Denver. "AgrAbility, How to Work Well with Agricultural Lenders and Bankers" and "Mental Wellness for Rural America" will be the topics. The workshops are for Colorado farm and ranch families who are dealing with barriers created by illnesses, conditions, or limitations, and for professionals who work with them. Workshops are from 10:00 a.m. to 2:00 p.m. with a free box lunch provided for those who pre-register at least one week prior to the workshop. If you want to participate, please call or email Candiss Leathers (720-539-4435); cleathers@goodwilldenver.org, or Norm Dalsted (970 222-5657); Norman.Dalsted@ColoState.EDU or the Extension agent listed below for more information no later than one week prior to the workshop. Some addresses are not yet established. Call for details.

- Salida: Thursday, October 27th, 2016, ADDRESS, County Extension Office with Kurt Jones (719-539-6151).
- Trinidad: Wednesday, November 15th, 2016, ADDRESS in Trinidad, with Dean Oatman (719-846-6881).
- **Pueblo:** Thursday, November 16th, 2016, County Extension Office, 701 Court St. Pueblo, CO. 81003 with Tom Laca (719-583-6566).
- Walden: Tuesday, November 29th, 2016, Wattenberg Center, 686 CR 42 Walden, with Debbie Alpe (970-723-4298).
- Delta: January 18th, 2017, County Courthouse, 501Palmer St. Delta, Co. 81416, Rm #234, with Doug Dean,(970-244-1834)
- Aurora: February 8th, 2017, 25690 E Quincy Ave, Aurora, CO 80016, with Johnathan Vrbeck, (719-661-2286)
- Yuma: February 14th, 2017, Concession Building at the Yuma County Fairgrounds, 2520 E 32nd St, Yuma, AZ 85365, with Dennis Kaan, (970-345-2287, Mobile: 970-520-1826).
- Sterling: Friday, February 15, 2017, County Extension Office, 508 South 10th Ave. Sterling, CO. 80751 with Dennis Kaan (Voice: 970-345-2287, Mobile: 970-520-1826)

## Important Dates to Remember and Interest Rate for September

#### Important FSA Dates to Remember:

- **Sept. 30**: 2017 NAP application closing date for Barley and Wheat
- Sept. 30: Final date for some CRP producers to complete mid-contract management activity on CRP acreage
- Sept. 30 Final day to hay CRP if approved by FSA
- Dec. 16 -: Final date to enroll in the 2017 Margin Protection Program-Dairy (MPP-Dairy)
- Nov. 13 all hay or biomass shall be removed from CRP field
- Nov. 15 Deadline to certify; Apiculture, PRF/Perennial forage and fall-seeded small grains
- Nov. 20 2017 NAP application closing date for Apples, Apricots, Cherries, Grapes, Hops, Nectarines, Peaches, Pears, Plums and Prunes
- Dec. 1 2017 NAP application closing date for Alfalfa, Clover, Grass, Honey, Mixed Forage, Mustard and Vetch
- Jan. 15 Deadline to certify; Apples, Grapes and Peaches

For more information about FSA programs, contact your local FSA office.

#### **Ongoing Notice of Loss Requirements:**

- NAP: Submit Notice of Loss within 15 calendar days of the earlier of a natural disaster occurrence, the final planting date if planting is prevented by a natural disaster, the date that damage to the crop or loss of production becomes apparent; the normal harvest date.
- **ELAP:** Submit Notice of Loss the earlier of 30 calendar days of when the loss is apparent or Nov. 1st after the end of the program year in which the loss occurred.
- Livestock Indemnity Program (LIP): Submit Notice of Loss within 30 calendar days of when the loss is apparent

### September FSA Interest Rate:

Farm Operating: 2.125%Microloan Operating: 2.125%Farm Ownership: 3.125%

Farm Ownership - Joint Financing: 3.125%Farm Ownership - Down Payment: 1.50%

• Emergency - Actual Loss: 3.125%

Farm Storage Facility Loan 3 year term: 0.875%
Farm Storage Facility Loan 5 year term: 1.125%
Farm Storage Facility Loan 7 year term: 1.375%
Farm Storage Facility Loan 10 year term: 1.50%
Farm Storage Facility Loan 12 year term: 1.625%

Commodity Loan: 1.50%

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